|  |  |  |
| --- | --- | --- |
| Year | Stock A | Stock B |
| 1998 | .3 | .1 |
| 1999 | .0 | .0 |
| 2000 | .5 | .1 |
| 2001 | .2 | .3 |
| 2002 | .3 | .3 |
| 2003 | -.2 | -.1 |
| 2004 | .5 | .0 |
| 2005 | .1 | .2 |
| 2006 | -.1 | .2 |
| 2007 | .4 | .3 |
| E(R) | .20 | .14 |
| Sigma | .232 | .136 |

1. Prepare a plot showing in the portfolio variance for various combinations of Stocks A and B．
2. Find the minimum variance portfolio
3. Find the proportions of Stocks A and B that constitute a portfolio with the same risk as Stock B alone.